PX 4

Exhibits A-E

Exhibit A

From: ██████████████████████████████
To: ████████████████████████
CC:
Sent: 1/8/2018 1:20:33 PM
Subject: RE: Telegram ICO

I don't think getting an allocation will be an issue.

To add to my earlier summary, it's hard to even explain how popular Telegram is among crypto investors/enthusiasts. It's where I get most of the information I share with you guys about anything in the space. Historically that information has been on Reddit and Twitter, and those are still good sources, but Telegram has become the absolute hub of the crypto world.

From: ████████████
Sent: Monday, January 08, 2018 10:01 AM
To: ██████████████████████
Cc:
Subject: RE: Telegram ICO

At $500mm would think we get as much as we want?

From: ████████████
Sent: Monday, January 08, 2018 9:49 AM
To: ███████████████████
Cc: ████████████████████████████
Subject: Re: Telegram ICO

Hopefully, I am participating with ███████ in this.

On Jan 8, 2018, at 9:41 AM, ████████████████████████
<████████████████████████████████████ wrote:
Telegram is a one of the most popular messaging apps in the world (similar to Whatsapp or WeChat). It's also by far the most popular app for crypto investors, so Telegram has a big brand and network effect among crypto holders globally.

This might be the biggest ICO ever ($500 million pre-sale target). They are getting interest from groups like ████████████ and other large VCs. Because Telegram is growing so rapidly, it has a very good name among VCs, many of whom have wanted to invest in the equity of the company for years.

I need to do a lot more work on this one, but my initial read is positive and I wanted to flag it for you as it's the size of deal that ████████████ could potentially be interested in as well.

Telegram plans multi-billion dollar ICO for chat cryptocurrency
Posted 6 hours ago by

Encrypted messaging startup Telegram plans to launch its own blockchain platform and native cryptocurrency, powering payments on its chat app and beyond. According to multiple sources which have spoken to TechCrunch, the "Telegram Open Network" (TON) will be a new, 'third generation' blockchain with superior capabilities, after Bitcoin and, later, Ethereum paved the way.

The launch will be funded with an enormous Initial Coin Offering, with forthcoming private pre-sales ranging into the hundreds of millions, potentially making it one of the largest ICOs to date. Demand is driven by the fact that rather than the ICO coming from a fresh startup, Telegram is a well-established messaging platform used around the world.

Adopting a homegrown cryptocurrency could give Telegram's payment system enormous independence from any government or bank - something Co-founder and CEO Pavel Durov is known to covet after investors took over his last company, Russian social network VK. Durov has not responded to TechCrunch's several attempts to contact him regarding this story.

The potential for a cryptocurrency inside a widely adopted messaging app is enormous.

With cryptocurrency powered payments inside Telegram, users could bypass remittance fees when sending funds across international borders, move sums of money privately thanks to the app's encryption, deliver micropayments that would incur too high of credit card fees, and more. Telegram is already the de facto communication channel for the global cryptocurrency community, making a natural home to its own coin and Blockchain.

Selling a TON of cryptocurrency

Telegram is understood to be considering raising as much as $500 million in the pre-ICO sale at a potential total token value in the range of $3 billion to $5 billion. However, those figures could change before the ICO, which could come as soon as March. Those figures would make it possibly the biggest private crypto raise to date after Tezos, which raised over $230 million in July.

A pre-sale in an ICO is a minimum cap on investments (sometimes with discounts) to attract big investors ('whales') before a wider token sale to retail investors. The public, retail phase of an ICO tends to raise less because there is a long tail of people investing small sums. But front-loading the ICO with institutional investment inspires confidence for retail investors.

Those pre-sale investors may be required to place a minimum buy-in of $20 million if they're outside of Durov's inner circle. Sources say that the ICO will require real fiat currency like US dollars for buy-in, not Bitcoin or Ether as others ICOs have to date.

Top-tier institutional investment firms have expressed interest, but Durov is said to be wary of accepting their cash. One firm rumored to have pushed for a pre-sale allocation is Mail.Ru Group (formerly DST), founded by Russian emigre ██████████. A spokesperson for DST did not reply to our inquiry about this story. Interestingly, Mail.Ru Group is the fund that ended up buying Durov's last company VK.

Understanding Telegram Open Network

Durov's idea is to launch an entirely new blockchain, using the Telegram's 180 million users as rocket fuel to power forward into mainstream adoption off cryptocurrency and making Telegram, effectively, a kingmaker of other cryptocurrencies, because of its existing scale.

According to Telegram's white paper that TechCrunch has review portions of, its cryptocurrency will be called "Gram" and could potentially gain immediate mainstream adoption by being tied to Telegram's chat app.

Sources say Durov has decided to combine both a centralized and decentralized infrastructure, since a totally decentralized network doesn't scale as fast as one which has some elements of centralization, hence why Telegram needs to own its own blockchain.

Moving to a decentralized blockchain platform could kill two birds with one stone for Telegram. As well as creating a full-blown cryptocurrency economy inside the app, it would also insulate it against the attacks and accusations of nation-states such as Iran, where it now accounts for 40% of Iran's internet traffic but was temporarily blocked amongst nationwide protests against the government.

Telegram has played a delicate political balancing act to try and retain its users in the country, shutting down some channels for calling for the downfall of the government, while keeping others open.

WeChat But With Crypto

With TON, Telegram aims to develop cryptocurrency-based utility akin to WeChat, which has blossomed into much more than a chat app and acts as default payment mechanism for many in China.

While payments can be made very quickly in WeChat for a variety of services, the system remains very centralized. A decentralized platform such as TON could offer more security and resilience.

Sources say that Telegram plans to allow users to hold both Telegram's currency and fiat currency in a forthcoming wallet.

There's also the existing developer ecosystem Telegram has built up around it, where bots and services are offered by third-party developers. Again, here TON could, in theory, underly everything a developer brings to Telegram.

Inside TON

In a 132 page white paper, Telegram has outlined a four-stage plan:

"TON Services" will be a platform for third-party services of any kind that enables smartphone like friendly interfaces for decentralized apps and smart contracts.

"TON DNS" is a service for assigning human-readable names to accounts, smart contracts services and network nodes. With TON DNS, accessing decentralized services could be like "viewing a website on the World Wide Web."

"TON Payments" is a platform for micropayments and a micropayment channel network. It aims to be used for "instant off-chain value transfers between users bots and other services". Safeguards built into the system are designed to ensure that these transfers "are as secure as on-chain transactions".

The "TON Blockchain" will consist of a master chain and 2-to-the-power-of-92 accompanying blockchains. Its most notable aspect is that it will have an "Infinite Sharding Paradigm" to achieve scalability. Thus, TON blockchains aim to be able to "automatically split and merge to accommodate changes in load". This would mean new blocks are generated quickly and "the absence of long queues helps keep transaction costs low, even if some of the services using the platform become massively popular".

It will also consist of "Instant Hypercube Routing" designed so the blockchain can maintain top speed even as it grows. Its proof of stake approach will reach consensus through a variant of the 'Byzantine Fault Tolerant' protocol, again increasing speed and efficiency. And it will also use 2-D Distributed Ledgers. This means the TON can grow new valid blocks on top of any blocks that were proven to be incorrect to avoid any unnecessary forks. In other words, TON aims to be 'self-healing'.

TON's third generation blockchain will be based on a dynamic 'proof of stake' secured by multiple parties with a high degree of fault tolerance. It will also handle storage of ID, payments and smart contracts. So, instead of relying on proof of work to create its currency, Telegram will rely on a new, less energy-hogging way of mining cryptocurrency than the original Bitcoin method.

The claim is that it will be capable of a vastly superior number of transactions, around 1 million per second. In other words, similar to the ambitions of the Polkadot project out of Berlin - but with an installed base of 180 million people. This makes it an 'interchain' with so-called 'dynamic sharding'.

Keeping Control

The white paper also makes clear that four percent of the supply of Grams (200 million Grams) will be reserved for Telegram's development team with a four-year vesting period. Telegram also plans to retain "at least 52 percent" of the entire supply of the Grams cryptocurrency to protect it from speculative trading and maintain flexibility. The remaining 44 percent will be sold in both the public and private sale.

The currency will be listed on external exchanges and used inside the Telegram app.

Timing-wise, the first quarter of this year will see the launch of the Telegram External Secure ID, followed by an MVP of TON. The launch of the Telegram Wallet is slated for Q4 2018, and the creation of the TON-based economy could launch in Q1 2019. The rest of the TON Services would follow in Q2 2019.

Some in the crypto community remain skeptical of TON. "I just think this is the CEO's way of monetizing Telegram, basically," says Jackson Palmer, the founder of early cryptocurrency Dogecoin.

The Brothers Durov

Durov and his brother Nikolai Durov, a mathematical genius, were behind the creation of VK, "Russia's Facebook", worth an estimated $3 billion, but were effectively forced to sell their stake in the company by oligarch shareholders deeply connected to the Putin-led government. Although Pavel managed to negotiate an exit with a large payoff, he's known to have harbored a resentment against outside investors ever since.

Pavel reportedly left Russia with $300 million and 2,000 Bitcoins and, after buying a citizenship in St. Kitts and Nevis, splits his time between London, Dubai and, where possible, Russia. Telegram's move into crypto could give him another shot at a massive fortune, while potentially turning the chat app into a vast payment network protected from government interference.

Exhibit B

From:
To:
Sent: 1/6/2018 10:07:58 PM
Subject: Fwd: Telegram White Paper
Attachments: Telegram Framework.xlsx; Telegram White Paper.pdf; TON White Paper.docx; Untitled
                  attachment 02345.html; Untitled attachment 02348.html; Untitled attachment 02351.html

Begin forwarded message:

From:
Date: January 6, 2018 at 4:03:23 PM PST
To:
Subject: Telegram White Paper

Attached is the White Paper (if it asks for a password it's 2018telegram). Alongside my notes & a quick back of the envelope model. Like anything else in this space garbage in garbage out & I can't really get the numbers to work. All I know is this is going higher

Telegram White Paper Overview:

Telegram is launching the Telegram Open Network (TON) a blockchain protocol based on a multi-blockchain Proof-of-Stake system designed to host the native Gram cryptoasset alongside various DAPPS. The Telegram app was launched in 2013 and at the end of1Q18 will have 200 million users, adding 500,000 users per day, while delivering 70.0 billion daily messages. Given the existing installed base once the Telegram Light Wallet is integrated in the application it will be upon launch become the most widely held cryptocurrency (for perspective there are currently 18.9mn ETH unique addresses and 1.0mn unique Bitcoin addresses). Telegram is well integrated into the crypto community as 84% of blockchain-based projects have an active Telegram community (versus 57% for Slack and 5% for Discord). Given the existing installed base, with the familiarity to crypto assets, Telegram is one of the more unique ICO projects out there, with existing real world use cases for the native token.

There will be 5.0bn native GRAM tokens which will be used for payments of all digital & physical assets sold by individual merchants. In the existing Telegram ecosystem they have a Bot platform where 800,000 third-party bots are used by 562 million Telegram users, and currently accept credit card payments from users in 200 countries via 8 different providers. An in-app currency in the form of GRAM should be able to accelerate that use case & the ability to make micropayments. The Telegram app also has existing roups and channels, with large groups reaching 30,000 members. The Telegram public broadcast channel generates 30.0bn views by 80mn users each month. Creators of valuable groups attempt to monetize the eyeballs by posting advertisements or promoting other channels. Currently it's difficult to formalize the advertisement process; but on the back of this Telegram will launch a TON-based ad exchange where parties interest in promoting their projects (think even future ICO's) and connect with relevant channel owners & negotiate a price in a transparent way with all payments paid in Gram. The ecosystem will also support paid content & subscriptions (analogous to some of these trading groups) whereby bots can act as virtual store fronts accepting TON expending the process. Finally Telegram intends to launch a searchable registry of decentralized services (think about this as equivalent to the Apple App Store or Google Play) whereby you could pay for promotion or better placement in TON>

Separately as part of the existing protocol GRAM will be used as gas paid to TON Nodes, stakes deposited by validators, voting power to change parameters of the protocol, payment services for apps built on the protocol, data security, hosting, privacy, and ISP addresses. While not native to the platform at launch they intend to build applications on top of the protocol including TON Storage, TON Proxy, Ton Services, TON DNS, and TON Payments.

In summary given the brand awareness and existing use case by the crypto ecosystem the TON ICO is one of the more compelling projects in the pipeline. Currently the minimum investment is $10.0mn which avoids flippers (outside of syndicates) which should support steady price support in 4Q18 upon formal protocol launch.

More details below:

Problems with Existing Protocols: Telegram is looking to create a mass-market cryptocurrency which overcomes three main hurdles in the existing ecosystem:
1) **Transaction Time**- BTC transactions are currently 7 per second while ETH is 15 per second, resulting in insufficient speeds & higher transaction costs.
2) **Buying / Storing / Sending Coins is a Learning Process**- when non-tech users engage with BTC & other cyrptoassets there is a big learning curve for buying, storing, and sending assets.
3) **Limited Goods & Services are available for purchase**- current demand comes from investors not consumers given the lack of goods & services available for purchase.

Telegram believes an efficient protocol should be focused on:
- **Speed & Scalability**- allows for processing millions of transactions per second and potentially accommodating billions of active users.
- **Intuitive User Interfaces**- enable an average user to easily buy, store, and transfer value, as well as use decentralized apps in a natural way.

- **Engaged User Base-** drives demand for services in the ecosystem and provides pre-existing critical mass for future growth.

The Telegram team will create light wallets, exchanges, and identification services that allow users to engage with cryptocurrencies in an intuitive way. Once integrated into the Telegram application it will be the most adopted cryptocurrency wallet by number of users.

Telegram History: Telegram was founded in 2013 by libertarians focused on encryption. The project has not-for-profit goals and is independent as well as self-funded (analogous to Wikipedia). By February 2016 telegram had 100 million monthly active users and delivered 15 billion messages daily. In October of 2017 Telegram reached 170 million monthly users delivering 70 billion messages every day with 500,000 new telegram users daily. The team forecasts 200 million monthly users by 1Q18.

TON Blockchain- The protocol level will be the TON Blockchain which is designed as a scalable & flexible blockchain architecture consisting of a master chain and up to 292 accompanying blockchains which should allow for the ability to process millions of transactions per second.
- **Infinite Sharding Paradigm-** TON has built-in support for sharding: TON blockchains can automatically split and merge to accommodate changes in load. This means that new blocks are always generated quickly and the absence of long queues helps keep transaction costs low, even if some of the services using the platform become massively popular
- **Instant Hypercube Routing-** TON blockchains use smart routing mechanisms to ensure that transactions between any two blockchains will always be processed swiftly, regardless of the size of the system. The time needed to pass information between TON blockchains grows logarithmically with their number, so scaling to even millions of chains will allow them all to communicate at top speed.
- **Proof-of-Stake-** TON uses a Proof-of-Stake approach in which processing nodes («validators») deposit stakes to guarantee their dependability and reach consensus through a variant of the Byzantine Fault Tolerant protocol.
- **2-D Distributed Ledgers-** TON can «grow» new valid blocks on top of any blocks that were proven to be incorrect to avoid unnecessary forks. This self-healing mechanism saves resources and guarantees that valid transactions will not be discarded due to unrelated errors.

Light Wallet- TON will support light clients light clients that can run on mobile devices without consuming significant resources. TON light wallets will be built into Telegram applications, allowing millions of users to store their funds securely in the TON blockchain. The wallet owners will be the sole holders of the corresponding encryption keys.
- Telegram mobile and desktop applications with integrated wallets will also double as TON clients, enabling secure transfers of value within the TON blockchain and interaction with TON smart contracts and applications.

Tokens- The tokens exchanged by Telegram users will be called Grams. The Gram will serve as the principal currency for the in-app economy on Telegram and, like any other decentralized cryptocurrency, will be available for external use.

Use Cases: The token will be used for payments of all digital & physical assets sold by individual merchants as well as:
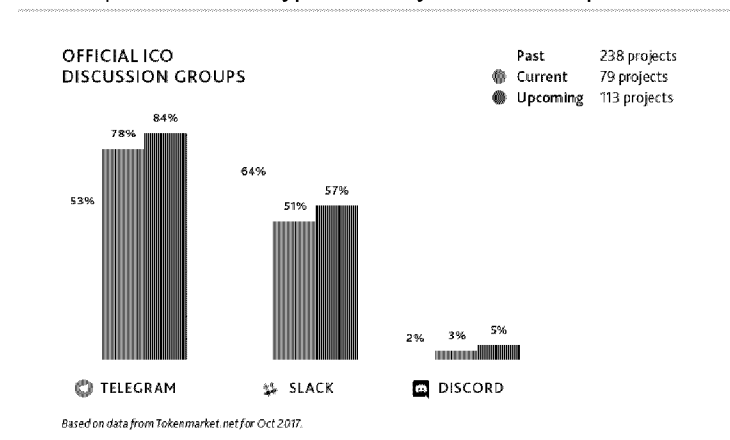- Comission (gas) paid to TON nodes for processing transactions
- Stakes deposited by validators to be eligible to validate transactions and generate new blocks and coins;
- Capital lent out to validators in exchange for a share of their reward;
- Voting power required to support or oppose changes in the parameters of the protocol;
- Payment for services provided by apps built on the platform (TON Services);
- Payment for storing data securely in a decentralized way (TON Storage);
- Payment for registering blockchain-based domain names (TON DNS) and hosting TON-sites (TON WWW);

- Payment for hiding identity and IP addresses (TON Proxy);
- Payment for bypassing censorship imposed by local ISPs (TON Proxy).

TON Platform: As a multi-blockchain project TON requires various network protocols that can be reused to provide flexibility to the platform. These components will be released after the OTN Blockchain core to improve on the infrastructure of the platform. The plan is for any of these services to be integrated with third-party messaging & social networking applications.

- **TON Storage**-TON Storage is a distributed file-storage technology, accessible through the TON P2P Network and available for storing arbitrary files, with torrent-like access technology and smart contracts used to enforce availability.
- **TON Proxy**- TON Proxy is a network proxy/anonymizer layer used to hide the identity and IP addresses of TON nodes. Similar to I2P (Invisible Internet Project), this layer can be used to create decentralized VPN services and blockchain-based TOR alternatives to achieve anonymity and protect online privacy.
- **TON Services**-TON Services provides a platform for third-party services of any kind that enables smartphone-like friendly interfaces for decentralized apps and smart contracts, as well as a World Wide Web-like decentralized browsing experience
- **TON DNS**- TON DNS is a service for assigning human-readable names to accounts, smart contracts, services, and network nodes. With TON DNS, accessing decentralized services can be similar to viewing a website on the World Wide Web
- **TON Payments**- TON Payments is a platform for micropayments and a micropayment channel network. It can be used for instant off-chain value transfers between users, bots, and other services. Safeguards built into the system ensure that these transfers are as secure as on-chain transactions.

Relationship with the Crypto community- According to Tokenmarket, 84 percent of blockchain-based projects have an active Telegram community, more than all other chat applications combined.7 Forbes and other media outlets have called Telegram the «cryptocurrency world's preferred messaging app» and «as ubiquitous to the cryptocurrency world as Snapchat is to a teenager».

OFFICIAL ICO DISCUSSION GROUPS

Past   238 projects
Current   79 projects
Upcoming   113 projects

TELEGRAM   SLACK   DISCORD

Based on data from Tokenmarket.net for Oct 2017.

External Secure ID- Because the majority of actors in the new digital economy already have active Telegram accounts, it is natural for Telegram to offer a secure universal ID. After passing KYC-AML on Telegram once, users will get a virtual passport to log into services that require user verification, thereby eliminating a major point of friction for anyone engaging with crypto-assets. All private data (such as passport scans) will eventually be stored end-to-end encrypted with a key known only to the owners. Telegram's distributed servers (and later the TON Blockchain) will have no access to this information, but will instead store a hash of the value to be able to confirm that the data was verified when the user obtained their secure ID.

Telegram Existing Ecosystem

- **Bot Platform**- As of October 2017, more than 800 000 unique third-party bots are regularly used by 52 million Telegram users. These bots can already accept credit card payments from users in 200 countries via eight providers connected to the Telegram Payments Platform. In the future, by using their verified IDs in conjunction with bots that accept credit cards, Telegram users will be able to buy and exchange cryptocurrencies in a frictionless and legally compliant way
- **Groups & Channels**- The Telegram ecosystem includes millions of public group chats reaching up to 30 000 members and broadcast channels, the largest of which have several million subscribers. Telegram's public broadcast channels generate over 30 billion views by 80 million users each Month Creators of large channels currently try to monetize them by posting advertisements or promoting other channels and groups. However, they presently lack the necessary tools to formalize their transactions with advertisers. To fix this, Telegram will launch a TON-based ad exchange where parties interested in promoting their projects can connect with the relevant channel owners and negotiate a price in a transparent and fully automated way. All accompanying transactions will be made in Grams on a per-view or per-click basis, with the necessary statistics and guarantees provided to all parties.
- **Digital Content / Physical Goods**- Bots, channels, and groups provide a ready market for paid content and subscription services. Users will be able to support publishers and content creators by making donations or paying for exclusive access. Bots can act as virtual storefronts and accept orders for the delivery of physical goods.
- **Decentralized Services**- Think of this as the equivalent of their Apple App Store or Google Play. Telegram will offer a searchable registry of decentralized services from its applications, providing a list of the most popular apps, as well as recommendations based on the user's history of choices. These steps can make Telegram a gateway to blockchain-based projects for the masses

Road Map:
- 1Q18- Telegram External Secure ID
- 2Q18- Launch of the Minimal Viable Test Network of TON
- 3Q18- Testing & security audits of TON
- 4Q18-Deployment of the stable version of TON
- 1Q19- Creation of a TON-based economy in Telegram
- 2Q19- Launch of TON services, storage, and proxy.

Token Sale- Telegram is launching a sale in 1Q18 which will utilize a SAFT with tokens converted in 4Q18. The total supply of native TON tokens will equal **5.0 billion.** After the TON Blockchain is fully deployed, the annual inflation rate derived from the fundamental parameters of TON is projected at two percent.
- **Ten percent** of the supply will be reserved to be used as incentives for the ecosystem — to encourage installation of third-party validators and TON Storage and TON Proxy nodes, and to reward users for activating wallets and passing KYC/AML
- **Four percent** (200 million Grams) will be reserved for the development team with a 4-year vesting period.
- During the initial stage of active TON development, at least **42 percent of the entire supply** will be retained by the TON Reserve to protect the nascent cryptocurrency from speculative trading and to maintain flexibility at the early stages of the evolution of the system
- The remaining **44 percent (2.2 billion Grams)** can be sold in accordance with the formula below:

$$p_n := 0.1 \times (1 + 10^{-9})^n \text{ USD}$$

  - The price of the first token to be sold will be approximately 0.1 USD, with each successive token priced one billionth higher than the previous one

<u>Real World Example</u>:

- **WeChat**- a Chinese multi-purpose social media application developed y Tencent with over 80 million monthly active users (902 million daily active users). It's colloquially referred to as "China's App for Everything" because of the various functions & platforms.
  - o **WeChat Pay**- a digital wallet service incorporated into WeChat allowing users to pay bills, order goods and services, transfer money to other users, and pay in store if the stores have WeChat payment options.
  - o **Red Envelope**- in 2014 they introduced red envelopes which allows users to send money to contacts as gifts. Jack Ma (Alibaba founder owner of Alipay) called this their Pearl Harbor moment as it eroded Alipay's historical dominance in online payment.
    - ▪ In 2017 Tencent reported that WeChat had overtaken Alibaba with 600 million active WeChat mobile payment users versus 450 million for Alibaba's Alipay.[26] However Alibaba had a 54% share of the Chinese mobile online payments market in 2017 compared to WeChat's 37% share

China Mobile Payment Volume, 2012 - 2016

China Mobile Payment Market Share*, Q1:17
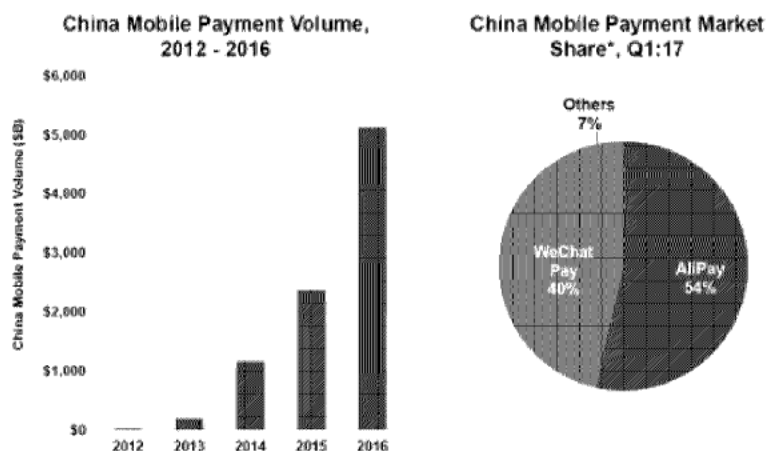
Blockchain Competitors:

- **KIK**- The KIK ICO launched to much fanfare given the 15 million active user installed base and Union Square Venture backing, and was developed as an ERC20 token. The KIN cryptocurrency is designed to facilitates a decentralized and community-owned ecosystem of digital services, including messaging, social media, and online payments. Seeking to disrupt the capture of user-generated value by owners of social media platforms, Kin enables and encourages direct economic relationships between consumers, content creators, and developers.
  - o While this would put TRON in direct competition with KIN the installed base & the quality of the installed base is day and night. The KIN ICO was effectively a bailout for a company that raised a $50.0mn Series D round from Tencnet in August of 2015 and had previously raised over $100.0mn of Venture funding (prior to it's $97.5mn ICO last August). The average user is 13-18 year old teenagers with limited disposable income and lack of crypto awareness.
- **ETH / ADA / XLM**- While TON has aspirations of becoming a decentralized super computer analogous to the aforementioned protocols the low hanging fruit for the protocol comes from the installed user base and existing use cases as opposed to new DAPPS built on top of it.

Team

- **Dr. Nikolai Durov (Co-Founder)**- PhD (Bonn University), PhD (Saint-Petersburg State University)
  - o 2013-present: Co-founder, CTO, Architect, Lead C/C++ Engineer at Telegram. Built MTProto and Telegram's distributed data storage engines.
  - o 2006-2013: Co-founder, CTO, Architect, Lead C/C++ Engineer at VK. Built data storage and networking software.

- o Absolute World Champion in Programming (2000, 2001) — one of ten people in history to win the ACM International Collegiate Programming Contest twice
- **Pavel Durov**- 2013-present: Co-founder, CEO, Product Manager at Telegram
  - o 2006-2013: Co-founder, CEO, Product Manager, Lead Developer at VK
  - o Pavel first gained international recognition for founding VK, which under his leadership commanded a 70 percent market share in Russia, Ukraine and Belorussia, eclipsing Facebook and other competing social networks

Exhibit C

From: ███████████████████████████

To: ████████████

CC: ████████

Sent: 1/17/2018 8:32:13 PM

Subject: Re: What are you guys thinking on TON?

The one thing I really like is that every crypto enthusiast I know is literally glued to TGram all day - it is the absolute center of the crypto world. So if you were to try to get adoption of a coin among the 1% of the world that owns crypto, you couldn't think of a better way than Telegram issuing a token.

However this only matters if they are able to create a currency which is actually useful. The white paper is way overly broad and vague, so I agree with ███████'s criticisms, but this is essentially a bet that a team of top notch tech guys, given $1 billion, can build a useful crypto. I think that's a reasonable bet to make. It's not like the folks at ICX and NEO and FUN have a monopoly on blockchain engineers.

Obviously the valuation is high and the lockup sucks, but I felt the same way about Tezos and Filecoin, and they've traded very well in futures markets so far despite the drama around Tezos.

The upside on Tgram is probably like 3-4x, which seems weak for crypto but is still a great investment if it works. I have more work to do on this one, but I think I'll probably invest like $50k or so and think of it as a quasi venture investment moreso than a hot ICO.

> On Jan 17, 2018, at 5:11 PM, ████████████████████████████ wrote:
>
>
> Feel like given ██████ has brought me along on other "hot issues" probably should participate, but really not that intrigued - feel like with more proceeds but no real use of proceeds, it's just really sloppy
> Sent from my iPhone

Exhibit D

From: ████████████████████████
To: ████████████████
Sent: 1/18/2018 1:48:49 PM
Subject: RE:

Wow, yeah, that is a scary amount of time in crypto!

From: ████████████████████
Sent: Thursday, January 18, 2018 12:46 PM
To: ████████████████████████████████
Subject: Re:

I believe the timeline (roughly) is that the deal will close soon, and then the first
liquidity is in 1 year for 25% of the tokens. Then another 25% becomes liquid every three
months until around 4Q 2019.

This is a very large raise (will be over $1 billion) and a long lockup by ICO standards.
But it's also a real company that is growing fast (vs. Kik which was flat or dying). The
other interesting wrinkle is that Telegram is by far the #1 app for communication among
crypto enthusiasts. Anyone who is into crypto is glued to Telegram all day – so that
overlap is a positive in terms of trying to get people to use this new coin they're going
to create. But 1-2 years lockup in crypto feels like a decade!

On Jan 18, 2018, at 12:23 PM, ██
wrote:
Hey, man. On the Telegram deal, will we be able to flip any part of the investment shortly
after we purchase? When does the deal close?

Exhibit E

From: Scott Rothman <scott.rothman@genesisblockchain.io>
To:
Sent: 1/26/2018 2:48:34 PM
Subject: On another note

Was shown some t zero at 8.50 today

Telegram i have an 82c seller

Not sure if you care on either ...

Sent from my iPhone